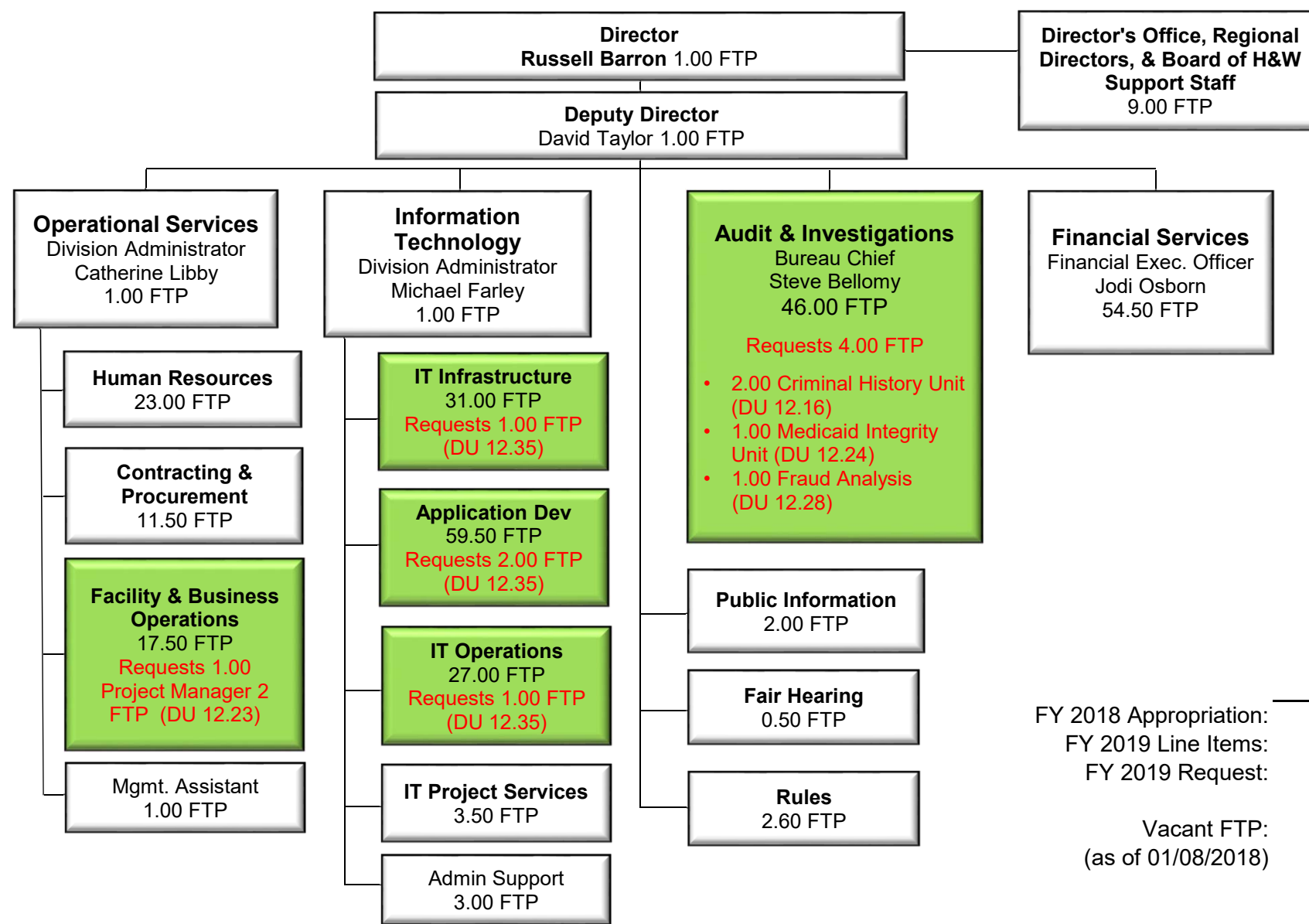


# Indirect Support Services Organizational Chart



	FTP
FY 2018 Appropriation:	295.60
FY 2019 Line Items:	(+) 9.00
FY 2019 Request:	304.60
Vacant FTP: (as of 01/08/2018)	14.70

# Indirect Support Services

## FY 2017 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
<b>0.30</b>	<b>FY 2017 Original Appropriation</b>								
0220-03	Gen	0.00		10,869,700	6,271,500	0	0	0	17,141,200
0220-05	Ded	291.60		1,673,300	1,449,500	3,000	0	0	3,125,800
0220-02	Fed	0.00		12,555,600	7,254,200	646,400	0	0	20,456,200
<b>Totals:</b>			291.60	25,098,600	14,975,200	649,400	0	0	40,723,200
<b>0.43</b>	<b>Supplementals</b>								
0220-03	Gen	0.00		(244,900)	0	0	0	0	(244,900)
0220-02	Fed	0.00		1,360,000	0	0	0	0	1,360,000
<b>Totals:</b>			0.00	1,115,100	0	0	0	0	1,115,100
<b>1.00</b>	<b>FY 2017 Total Appropriation</b>								
0220-03	Gen	0.00		10,624,800	6,271,500	0	0	0	16,896,300
0220-05	Ded	291.60		1,673,300	1,449,500	3,000	0	0	3,125,800
0220-02	Fed	0.00		13,915,600	7,254,200	646,400	0	0	21,816,200
<b>Totals:</b>			291.60	26,213,700	14,975,200	649,400	0	0	41,838,300
<b>1.21</b>	<b>Net Object Transfer</b>								
0220-03	Gen	0.00		(412,600)	(396,400)	809,000	0	0	0
0220-02	Fed	0.00		(200,000)	(128,500)	328,500	0	0	0
<b>Totals:</b>			0.00	(612,600)	(524,900)	1,137,500	0	0	0
<b>1.31</b>	<b>Net Transfer Between Programs</b>								
0220-03	Gen	0.00		(630,000)	0	0	0	0	(630,000)
<b>Totals:</b>			0.00	(630,000)	0	0	0	0	(630,000)
<b>1.32</b>	<b>Net Transfer Between Programs</b>								
0220-05	Ded	0.00		175,000	750,000	0	0	0	925,000
<b>Totals:</b>			0.00	175,000	750,000	0	0	0	925,000
<b>1.34</b>	<b>Net Transfer Between Programs</b>								
0220-03	Gen	0.00		(652,900)	(5,000)	0	0	0	(657,900)
<b>Totals:</b>			0.00	(652,900)	(5,000)	0	0	0	(657,900)
<b>1.38</b>	<b>Net Transfer Between Programs</b>								
0220-03	Gen	0.00		(168,400)	(319,700)	0	0	0	(488,100)
<b>Totals:</b>			0.00	(168,400)	(319,700)	0	0	0	(488,100)
<b>1.41</b>	<b>Receipt to Appropriation</b>								
0220-05	Ded	0.00		0	51,900	43,800	0	0	95,700
<b>Totals:</b>			0.00	0	51,900	43,800	0	0	95,700
<b>1.61</b>	<b>Reverted Appropriation</b>								
0220-03	Gen	0.00		0	0	(5,400)	0	0	(5,400)
0220-05	Ded	0.00		(200)	(12,600)	(5,400)	0	0	(18,200)
0220-02	Fed	0.00		(763,400)	(312,800)	(224,700)	0	0	(1,300,900)
<b>Totals:</b>			0.00	(763,600)	(325,400)	(235,500)	0	0	(1,324,500)

# Indirect Support Services

## FY 2017 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
<b>2.00</b>	<b>FY 2017 Actual Expenditures</b>							
0220-03	Gen	0.00	8,760,900	5,550,400	803,600	0	0	15,114,900
	Cooperative Welfare (General)		8,760,900	5,550,400	803,600	0	0	15,114,900
0220-05	Ded	291.60	1,848,100	2,238,800	41,400	0	0	4,128,300
	Cooperative Welfare (Dedicated)		1,848,100	2,238,800	41,400	0	0	4,128,300
0220-02	Fed	0.00	12,952,200	6,812,900	750,200	0	0	20,515,300
	Cooperative Welfare (Federal)		12,952,200	6,812,900	750,200	0	0	20,515,300
<b>Totals:</b>		291.60	23,561,200	14,602,100	1,595,200	0	0	39,758,500

### Difference: Actual Expenditures minus Total Appropriation

0220-03	Gen	(1,863,900)	(721,100)	803,600	0	0	(1,781,400)
	Cooperative Welfare (General)	(17.5%)	(11.5%)	N/A	N/A	N/A	(10.5%)
0220-05	Ded	174,800	789,300	38,400	0	0	1,002,500
	Cooperative Welfare (Dedicated)	10.4%	54.5%	1280.0%	N/A	N/A	32.1%
0220-02	Fed	(963,400)	(441,300)	103,800	0	0	(1,300,900)
	Cooperative Welfare (Federal)	(6.9%)	(6.1%)	16.1%	N/A	N/A	(6.0%)
<b>Difference From Total Approp</b>		<b>(2,652,500)</b>	<b>(373,100)</b>	<b>945,800</b>	<b>0</b>	<b>0</b>	<b>(2,079,800)</b>
<b>Percent Diff From Total Approp</b>		<b>(10.1%)</b>	<b>(2.5%)</b>	<b>145.6%</b>	<b>N/A</b>	<b>N/A</b>	<b>(5.0%)</b>

## Department of Health and Welfare - 2018 Legislative Session, Legislative Services Office: Open Audit Findings

Number	Audit Finding	Description	Audit Recommendation	Current Status
1	2013-207	Multiple federal programs incurred expenditures prior to the period of availability due to weaknesses in the design of internal controls.	We recommended that the Department implement internal control procedures to ensure that grant costs are not incurred prior to the period of availability for the grant. We further recommended that the Department contact the federal grantors to resolve the questioned costs.	Open; partially repeated as Findings 2014-208 and 2015-203
2	2014-208	Multiple federal programs incurred expenditures prior to the period of availability due to weaknesses in the design of internal controls.	We recommended that the Department design and implement procedures to ensure that grant costs are not incurred prior to the period of availability.	Open; repeated as Finding 2015-203
3	2015-203	Costs incurred prior to the period of performance were inappropriately charged to the Supplemental Nutrition Assistance Program (SNAP) grant and the Temporary Assistance for Needy Families (TANF) grant.	We recommended that the Department design and implement procedures to ensure that grant costs are not incurred prior to the period of performance.	Open
4	2016-204	Payroll expenditures lacked supporting documentation to justify allocated payroll charges to various federal programs.	We recommended that the Department ensure that internal controls and procedures comply with federal requirements for charging direct payroll expenditures to federal grants.	Open
5	2016-208	Internal controls were not fully implemented to ensure compliance with Procurement and Suspension and Debarment requirements.	We recommended that the Department reinforce existing control policies and procedures by verifying that vendors are not suspended or debarred prior to entering into covered transactions, and adding and retaining documentation to provide evidence that the verification was performed.	Open

**FORM B11: REVENUE**

Agency/Department: Department of Health & Welfare  
 Program (If applicable) Indirect Support Services

Request for Fiscal Year: 2019  
 Agency Number: 270  
 Budget Unit (If Applicable): HWAA  
 Function/Activity Number (If Applicable): 61

Original Request Date: September 1, 2017  
 Revision Request Date: \_\_\_\_\_

Page: 1 of 1

Fund No.	Fund Detail No.	Fund Name	Significant Assumption Number	Summary Object Code	Revenue Source Description -Summary Level	FY 2015 Actual Revenue	FY 2016 Actual Revenue	FY 2017 Actual Revenue	FY 2018 Estimated Revenue	FY 2019 Estimated Revenue
0220	05	Receipts		1206	Applicant/Recipient Fee	(1,000)	0	0	0	0
				1525	Communication - Telephone	7,000	5,700	2,600	2,600	2,600
				1550	Postal	100	0	100	100	100
				1555	Other Services	1,600	11,500	0	0	0
			1	1559	Medicaid Payments	29,400	111,900	224,800	0	0
				1760	Reproduction and Xeroxing	1,000	2,800	2,100	2,100	2,100
				1770	Other Goods	0	4,200	0	0	0
				1920	Buildings	0	90,000	0	0	0
				1936	Automobiles	97,000	195,000	82,900	125,000	125,000
				2060	Program Income	1,482,000	1,491,000	1,599,300	1,599,300	1,599,300
				2063	Overpayment Fraud	0	300	0	0	0
				2064	Overpayment Non-Fraud	(200)	0	0	0	0
				2155	Program Income	100	0	0	0	0
				2515	Interest Income	97,900	70,800	119,500	62,600	62,600
				2715	Rent	39,400	39,200	29,000	39,900	39,900
				3625	Insurance Settlement	500	0	12,800	0	0
				3690	Other	780,800	134,100	348,700	134,100	134,100
				3694	Penalties	631,200	811,000	1,230,800	717,400	717,400
			2		YHI - Pass through federal reported as receipts (FY15 and FY16)					
					Non pass through for (FY18 and FY19)	3,227,500	1,552,200	475,700	375,200	375,200
0220	05	Receipts			<b>FUND TOTAL</b>	<b>\$6,394,300</b>	<b>\$4,519,700</b>	<b>\$4,128,300</b>	<b>\$3,058,300</b>	<b>\$3,058,300</b>
0220	02	Federal Funds			Allocating Grants	19,555,500	19,281,000	19,523,500	20,568,200	20,568,200
					TANF/TAFI (10500A/1050MA)	55,600	58,000	15,500	38,700	38,700
					Medicaid Readiness (10930, 10931, 10933, 10700A)	88,400	0	0	0	0
					Medicaid Administration (10970A)	616,300	581,000	679,400	725,700	725,700
					Medicaid MIS (10973A)	63,600	0	0	0	0
					Child Support (11401A)	34,800	36,700	39,000	36,300	36,300
					Chip Bonus (20600A)	93,200	0	0	0	0
					Food Stamps - EBT (62603/05/06/08/09D)	302,900	286,000	257,900	207,600	207,600
0220	02	Federal Funds			<b>FUND TOTAL</b>	<b>\$20,810,300</b>	<b>\$20,242,700</b>	<b>\$20,515,300</b>	<b>\$21,576,500</b>	<b>\$21,576,500</b>
<b>GRAND TOTAL</b>						<b>\$27,204,600</b>	<b>\$24,762,400</b>	<b>\$24,643,600</b>	<b>\$24,634,800</b>	<b>\$24,634,800</b>

**SIGNIFICANT ASSUMPTIONS**

Fund No.	Fund Detail No.	Fund Name	Significant Assumption Number	Provide Details for any Significant Assumptions Listed	FY 2019 Estimated Impact
0220	05	Receipts	1	RAC Recovery contract terminated in FY 2017.	\$0
0220	05	Receipts	2	Fiscal years 2015 and 2016 - receipts are higher due to collections from Your Health Idaho (YHI) for work completed on the eligibility system changes for their benefit. Beginning 2017 amount is the anticipated revenue for eligibility operations work for the benefit of YHI.	\$0
					\$0
					\$0
					\$0

# Indirect Support Services

## FY 2018 JFAC Action

	FTP	Gen	Ded	Fed	Total
<b>FY 2017 Original Appropriation</b>	<b>291.60</b>	<b>17,141,200</b>	<b>3,125,800</b>	<b>20,456,200</b>	<b>40,723,200</b>
<b>Supplementals</b>					
3. Expanded Access Program Transfer	0.00	(128,600)	0	0	(128,600)
6. Additional Enhanced Federal Funds	0.00	0	0	1,360,000	1,360,000
9. AABD - Welfare Division Transfer	0.00	(116,300)	0	0	(116,300)
<b>FY 2017 Total Appropriation</b>	<b>291.60</b>	<b>16,896,300</b>	<b>3,125,800</b>	<b>21,816,200</b>	<b>41,838,300</b>
Noncognizable Funds and Transfers	0.00	(744,000)	0	0	(744,000)
<b>FY 2017 Estimated Expenditures</b>	<b>291.60</b>	<b>16,152,300</b>	<b>3,125,800</b>	<b>21,816,200</b>	<b>41,094,300</b>
Removal of Onetime Expenditures	0.00	(325,700)	(58,200)	(1,189,600)	(1,573,500)
Base Adjustments	0.00	872,600	0	0	872,600
<b>FY 2018 Base</b>	<b>291.60</b>	<b>16,699,200</b>	<b>3,067,600</b>	<b>20,626,600</b>	<b>40,393,400</b>
Benefit Costs	0.00	99,600	15,400	115,000	230,000
Replacement Items	0.00	1,387,600	0	2,112,100	3,499,700
Statewide Cost Allocation	0.00	166,000	0	184,300	350,300
Change in Employee Compensation	0.00	285,300	44,100	329,700	659,100
<b>FY 2018 Program Maintenance</b>	<b>291.60</b>	<b>18,637,700</b>	<b>3,127,100</b>	<b>23,367,700</b>	<b>45,132,500</b>
<b>Line Items</b>					
17. Operational Services Staffing	3.00	0	0	88,100	88,100
21. Financial Services Position	1.00	0	0	38,500	38,500
26. Fraud and Abuse Detection Software	0.00	0	125,000	990,000	1,115,000
34. Internal Audit Position	0.00	0	0	0	0
35. Adult Protection Investigator	0.00	0	0	0	0
36. Administrative Support Position	0.00	0	0	0	0
Cybersecurity Insurance	0.00	3,000	0	4,600	7,600
<b>FY 2018 Total</b>	<b>295.60</b>	<b>18,640,700</b>	<b>3,252,100</b>	<b>24,488,900</b>	<b>46,381,700</b>
Chg from FY 2017 Orig Approp.	4.00	1,499,500	126,300	4,032,700	5,658,500
% Chg from FY 2017 Orig Approp.	1.4%	8.7%	4.0%	19.7%	13.9%

## SENATE BILL NO. 1193

**SECTION 8.** MEDICAID PROGRAM INTEGRITY COLLECTIONS. It is the intent of the Legislature that the Indirect Support Services Division provide reports biannually to the Legislative Services Office and the Division of Financial Management comparing the total costs from all funding sources used for the Medicaid Program Integrity Unit and the collections related to those efforts. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report is to contain information from July 1, 2017, through December 31, 2017, and shall be submitted no later than January 15, 2018, and the second report shall include information from January 1, 2018, through June 30, 2018, as well as information for the entire year, and shall be submitted by June 30, 2018, or as soon thereafter as practicable.

**This report was provided to the committee,  
through e-mail, on January 26, 2018.**

**The report will be posted on the Session Record.**

# Indirect Support Services

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2017 Total App</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Approp</b>	<b>FY 2019 Request</b>	<b>FY 2019 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
General	16,896,300	15,114,900	18,640,700	21,813,400	20,141,700
Dedicated	3,125,800	4,128,300	3,252,100	3,405,700	3,439,400
Federal	21,816,200	20,515,300	24,488,900	26,463,200	25,139,100
<b>Total:</b>	<b>41,838,300</b>	<b>39,758,500</b>	<b>46,381,700</b>	<b>51,682,300</b>	<b>48,720,200</b>
Percent Change:		(5.0%)	16.7%	11.4%	5.0%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	26,213,700	23,561,200	26,603,000	27,271,700	27,107,500
Operating Expenditures	14,975,200	14,602,100	16,402,500	21,267,000	19,824,300
Capital Outlay	649,400	1,595,200	3,376,200	3,143,600	1,788,400
<b>Total:</b>	<b>41,838,300</b>	<b>39,758,500</b>	<b>46,381,700</b>	<b>51,682,300</b>	<b>48,720,200</b>
Full-Time Positions (FTP)	291.60	291.60	295.60	304.60	299.60

## Division Description

Indirect Support Services provides administrative functions for the Department of Health and Welfare:

- The Office of the Director provides central policy direction;
- The Office of Legal Services provides legal advice, monitoring, and litigation services;
- Financial Services manages the budget and cash flow, controls the accounting and reporting process, performs internal reviews, and processes all personnel actions;
- The Division of Information Systems plans and operates all data processing and IT activities;
- The Division of Operational Services manages physical assets, contracts, and purchasing; and provides human resource functions, which include civil rights, workforce development, recruitment, process and system research, and employee relations; and
- The Bureau of Audits and Investigations provides support to the department's public assistance programs through the following units: Criminal History; Internal Audit; Fraud Analysis; Medicaid Program Integrity; and Welfare Fraud Investigations.



# Indirect Support Services

## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2018 Original Appropriation</b>	<b>295.60</b>	<b>18,640,700</b>	<b>46,381,700</b>	<b>295.60</b>	<b>18,640,700</b>	<b>46,381,700</b>
Removal of Onetime Expenditures	0.00	(1,387,600)	(4,117,700)	0.00	(1,387,600)	(4,117,700)
<b>FY 2019 Base</b>	<b>295.60</b>	<b>17,253,100</b>	<b>42,264,000</b>	<b>295.60</b>	<b>17,253,100</b>	<b>42,264,000</b>
Benefit Costs	0.00	(165,000)	(406,000)	0.00	(154,400)	(379,900)
Replacement Items	0.00	2,532,600	4,756,000	0.00	1,273,600	2,567,600
Statewide Cost Allocation	0.00	306,400	588,000	0.00	306,400	588,000
Change in Employee Compensation	0.00	92,200	226,900	0.00	274,600	675,600
<b>FY 2019 Program Maintenance</b>	<b>295.60</b>	<b>20,019,300</b>	<b>47,428,900</b>	<b>295.60</b>	<b>18,953,300</b>	<b>45,715,300</b>
10. Cisco Enterprise License Agreement	0.00	549,300	989,400	0.00	549,300	989,400
12. SCO Mainframe Costs	0.00	464,100	1,067,400	0.00	464,100	1,067,400
16. Criminal History Unit New Staff	2.00	7,200	130,600	2.00	0	118,900
22. CDA Office Relocation Expenses	0.00	182,000	349,100	0.00	0	0
23. Operational Services New Staff	1.00	62,600	99,500	0.00	0	0
24. Medicaid Integrity Unit New Staff	1.00	0	59,400	1.00	0	60,800
25. IT Software Licenses	0.00	133,800	241,000	0.00	0	0
28. Fraud Analysis New Staff	1.00	0	66,700	1.00	0	68,400
35. New IT Staff	4.00	153,300	383,300	0.00	0	0
37. IT Position Salary Increases	0.00	66,800	167,000	0.00	0	0
50. Criminal History Unit Grant	0.00	175,000	700,000	0.00	175,000	700,000
<b>FY 2019 Total</b>	<b>304.60</b>	<b>21,813,400</b>	<b>51,682,300</b>	<b>299.60</b>	<b>20,141,700</b>	<b>48,720,200</b>
Change from Original Appropriation	9.00	3,172,700	5,300,600	4.00	1,501,000	2,338,500
% Change from Original Appropriation		17.0%	11.4%		8.1%	5.0%

# Indirect Support Services

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2018 Original Appropriation</b>	295.60	18,640,700	3,252,100	24,488,900	46,381,700

## Removal of Onetime Expenditures

This decision unit removes \$4,117,700 for replacement items, alteration and repair projects, and onetime line items that were funded in FY 2018.

Agency Request	0.00	(1,387,600)	0	(2,730,100)	(4,117,700)
Governor's Recommendation	0.00	(1,387,600)	0	(2,730,100)	(4,117,700)

<b>FY 2019 Base</b>					
Agency Request	295.60	17,253,100	3,252,100	21,758,800	42,264,000
Governor's Recommendation	295.60	17,253,100	3,252,100	21,758,800	42,264,000

## Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(165,000)	(25,600)	(215,400)	(406,000)
----------------	------	-----------	----------	-----------	-----------

*The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.*

Governor's Recommendation	0.00	(154,400)	(24,000)	(201,500)	(379,900)
---------------------------	------	-----------	----------	-----------	-----------

## Replacement Items

The department requests \$4,756,000 to replace various capital outlay items and for various alteration and repair projects. This includes \$1,494,300 to replace 61 vehicles; \$873,700 for servers and IT archive storage; \$2,262,000 to replace server licenses, computers, monitors, and a file legacy application; and \$126,000 for alteration and repair projects throughout the state including painting, carpets, flooring, and parking lot repairs.

Agency Request	0.00	2,532,600	0	2,223,400	4,756,000
----------------	------	-----------	---	-----------	-----------

*The Governor recommends a reduced amount from the General Fund and federal funds.*

Governor's Recommendation	0.00	1,273,600	0	1,294,000	2,567,600
---------------------------	------	-----------	---	-----------	-----------

## Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$467,700, risk management costs will increase by \$56,200, State Controller fees will increase by \$71,400, and State Treasurer fees will decrease by \$7,300, for a net increase of \$588,000.

Agency Request	0.00	306,400	0	281,600	588,000
Governor's Recommendation	0.00	306,400	0	281,600	588,000

## Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	92,200	14,400	120,300	226,900
----------------	------	--------	--------	---------	---------

*The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor also recommends the pay structure for state employees be moved by 3% and includes \$1,400 for that purpose.*

Governor's Recommendation	0.00	274,600	42,600	358,400	675,600
---------------------------	------	---------	--------	---------	---------

<b>FY 2019 Program Maintenance</b>					
Agency Request	295.60	20,019,300	3,240,900	24,168,700	47,428,900
Governor's Recommendation	295.60	18,953,300	3,270,700	23,491,300	45,715,300

# H & W - Indirect Support Services FY 2019 Replacement Items

01/29/2018

Indirect Support Services				Average Cost Per Unit	Quantity In Stock	Quantity Requested	Total Request
1)	Computer Monitors			\$160	700	700	\$112,000
2)	Desktop Computers			\$525	1,000	1,000	\$525,000
3)	Facility Repair/Maintenance			\$11,455		11	\$126,000
4)	IT Hardware/Servers			\$127,633	9	9	\$1,148,700
5)	IT Software/Storage			\$675,000	2	2	\$1,350,000
Vehicles		Average Miles	Average Year				
6)	Minivan with Minivan	98,369	2003	\$22,600	5	5	\$113,000
7)	Sedan with Full-Size Sedan	119,945	2008	\$28,800	13	13	\$374,400
8)	Sedan with Hybrid Sedan	113,863	2007	\$20,300	8	8	\$162,400
9)	Sedan with Mid-Size Sedan	118,616	2007	\$23,867	33	33	\$787,600
10)	Sedan with Small SUV	100,766	2000	\$25,900	1	1	\$25,900
11)	SUV with Mid-Size SUV	92,620	2002	\$31,000	1	1	\$31,000
<b>Grand Total</b>					<b>1,772</b>	<b>1,783</b>	<b>\$4,756,000</b>

Request by Fund	Agency Request	Governor's Recommendation
General Fund	\$2,532,600	\$1,273,600
Federal Fund	\$2,223,400	\$1,294,000
	<b>\$4,756,000</b>	<b>\$2,567,600</b>

## Indirect Support Services

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>10. Cisco Enterprise License Agreement</b>					
The department requests \$989,400 in ongoing operating expenditures from the General Fund and federal funds for the annual licenses, subscription services, and hardware maintenance, licensing, and software subscription services for the Cisco Enterprise License Agreement. Cisco was selected because it is on the state purchasing contract. This request is for the annual maintenance costs for all of the Cisco hardware maintenance/support and software subscriptions. However, any data breaches would be associated with the department, as Cisco does not retain any risk if there is a data breach associated with its software. Cisco will, through the agreement, provide assistance in incident response services, including emergency incident response and recovery, readiness assessment, proactive threat hunting, and mitigation. The department estimates that the purchase of this agreement will save the department over \$2 million from purchasing the various items individually. [Ongoing]					
Agency Request	0.00	549,300	0	440,100	989,400
Governor's Recommendation	0.00	549,300	0	440,100	989,400
<b>12. SCO Mainframe Costs</b>					
The department requests \$1,067,400 in ongoing operating expenditures from the General Fund and federal funds for the costs associated with the department programs that remain on the Office of the State Controller's (SCO) mainframe computer system. The department has \$3.5 million in the department-wide ongoing appropriation, and indicates that those funds need to remain in their respective budgets for operational costs of the systems that were removed from the mainframe in the last couple years. As a result of those programs leaving the mainframe, the cost to run the mainframe remains the same, and the cost is then reallocated to any remaining entities, which include the payroll and accounting divisions at the SCO and Health and Welfare's FISCAL programs. As a result of the cost center shift, Health and Welfare is expecting a bill for \$2 million in FY 2019. It is estimated that the department will continue to pay for SCO mainframe costs for at least three more years, assuming the new accounting and payroll IT system at the SCO is funded. At that time, these funds could be removed from the Health and Welfare budget, but the cost to operate the mainframe will continue for an additional five or so years, which means the cost would then be borne by the SCO alone. [Ongoing]					
Agency Request	0.00	464,100	0	603,300	1,067,400
Governor's Recommendation	0.00	464,100	0	603,300	1,067,400
<b>16. Criminal History Unit New Staff</b>					
The department requests 2.00 FTP and \$130,600 to hire additional staff in the Criminal History Unit (CHU) to meet estimated work increases in the CHU. The department conducted 27,074 fingerprints and registry checks in FY 2017, and averages a 4% increase year-over-year for the last five years. Further, the department estimates that the 4% average will continue for the next five years. The program is staffed by one supervisor, 12 full-time technical records specialists 2, and one part-time technical records specialist 2. With changes to federal mandates and changes to Idaho IDAPA rules, the CHU is now responsible for completing checks of the Idaho Child Protection Registry in response to any lawful request for information contained in the registry. The department estimates that it will complete 3,000 of these checks annually; currently the CHU does about 700 of these checks annually. In addition to the personnel costs, the department requests \$26,000 in onetime operating expenditures to purchase four additional fingerprint collection and submission computer scanners, software, and peripherals. [Ongoing and Onetime]					
Agency Request	2.00	7,200	116,100	7,300	130,600
<i>The Governor recommends the dedicated fund portion of the request and recommends the agency use existing appropriation from the General Fund and federal funds for any remaining balance.</i>					
Governor's Recommendation	2.00	0	118,900	0	118,900

## Indirect Support Services

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>22. CDA Office Relocation Expenses</b>					
The department requests \$349,100 in onetime operating expenditures for moving and furnishing expenses associated with the relocation of office space in north Idaho. The department issued an RFP for new leased space in August 2017 and closed the RFP in October 2017. The RFP allowed for responses in the Coeur D'Alene and Post Falls areas. The department is meeting with the Division of Public Works to review submitted proposals. All of the submitted proposals are build-to-suit facilities and not existing buildings, which means the department will not be able to move until late spring or summer of FY 2019. This means that the department will most likely be encumbering any appropriation related to this line item. Ongoing costs related to the new facility are not known at this time. The department is currently paying "a significant amount" for security services. With the new single building, the department estimates that costs will be greatly reduced and should lead to an overall reduced ongoing amount needed for operations in north Idaho. [Onetime]					
Agency Request	0.00	182,000	0	167,100	349,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>23. Operational Services New Staff</b>					
The department requests 1.00 FTP and \$99,500 to hire a project manager 2 position in the Operational Services Division. This position will manage projects focused on mission-critical initiatives and process improvements that benefit the entire department. Listed initiatives for the entire department include: revising and implementing statewide continuity of operations plans; building out training tools for responding to safety threats; updating and improving emergency evacuation procedures; improving new-hire processing and employee exit protocols; and redesigning the automated tool used to track and manage statewide fleet vehicles. [Ongoing]					
Agency Request	1.00	62,600	0	36,900	99,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>24. Medicaid Integrity Unit New Staff</b>					
The department requests 1.00 FTP and \$59,400 to hire an administrative assistant 2 position in the Bureau of Audit and Investigations. The position will prepare documents for recovering uncollectable debts through asset recovery, prepare required records for exclusion and terminations, and log evidence. The request includes \$2,500 of onetime expenses for office furniture and equipment. The department anticipates recovering more funds from the work of the staff than the cost of the new position. [Ongoing and Onetime]					
Agency Request	1.00	0	29,700	29,700	59,400
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	30,400	30,400	60,800

# Indirect Support Services

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
-------------------------	-----	---------	-----------	---------	-------

## 25. IT Software Licenses

The department requests \$241,000 for two different system-wide licenses: 1) Ivanti Performance Licenses for \$123,800 and 2) Microsoft Enterprise Licenses for \$117,200. The request includes \$142,300 of ongoing appropriation and \$98,700 of onetime appropriation. The first license system, Ivanti, will enable the department's IT teams to centrally control resources for all application and desktop delivery methods while reducing hardware costs and maintaining the goal of improved performance. The department indicates that this system will provide a positive return on investment (ROI) within a short turnaround time. However, the department indicates that there are no funds available to meet this expense. The ROI is based on staff hours saved by using a technical solution to increase productivity.

The second part of this request is for 2,000 Microsoft licenses related to the Enterprise Mobility Suite and Security. This software enables the department to control content of mobile devices, which includes whether or not a document can be printed, shared, or saved to an external device, including devices on and off the department's network. This request would place the department in compliance with federal regulations and would meet the requirements of the Governor's Executive Order (2017-02) related to cybersecurity. The licenses are purchased on a subscription basis and require ongoing annual payments. Microsoft was selected because they are on the state's purchasing contract. [Ongoing and Onetime]

Agency Request	0.00	133,800	0	107,200	241,000
----------------	------	---------	---	---------	---------

*Not recommended by the Governor.*

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---

## 28. Fraud Analysis New Staff

The department requests 1.00 FTP and \$66,700 to hire an additional position for fraud analysis. This position would work in concert with the fraud and abuse software that was funded in FY 2018. The department estimates that this position will save more taxpayer money than the cost to fill it. Audits that include data analytics take 33% less time, which allow staff members to handle more cases, ultimately identifying more overpayments and fraud when applicable. The department estimates that the payroll cost savings for analytics-included cases had an annualized cost savings of \$141,000. Further, the amount of overpayments and penalties collected have more than doubled in the last three years, from \$3.2 million to \$8.4 million. [Ongoing and Onetime]

Agency Request	1.00	0	19,000	47,700	66,700
----------------	------	---	--------	--------	--------

*Recommended by the Governor with changes for benefits and compensation.*

Governor's Recommendation	1.00	0	19,400	49,000	68,400
---------------------------	------	---	--------	--------	--------

## 35. New IT Staff

The department requests 4.00 FTP and \$383,300 to hire four new IT senior system integrations analysts. All four positions are being requested at the policy rate of \$32.40 per hour. The positions will be located in three different IT Bureaus: 2.00 FTP in Application Development; 1.00 FTP in Infrastructure; and 1.00 FTP in Operations. The Application Development Bureau provides support for the nearly 150 applications used throughout the department. These two positions would be used to provide additional support for the various applications, including the new server-based child support system that was previously housed on the Office of the State Controller's mainframe computer system. The Infrastructure Bureau provides specialized support of the department's security infrastructure. This position will manage web application security appliances in addition to assisting the bureau with other security priorities. The Operations Bureau provides help desk assistance to department employees. This position would support employees with issues related to desktop and operating software systems, video conferencing, mobile device support, and ongoing maintenance of department computers. The priority order for these four positions is 1) 1.00 FTP Infrastructure Bureau, 2) 1.00 FTP Application Development Bureau, 3) 1.00 FTP Operations Bureau, and 4) 1.00 FTP Application Development Bureau. [Ongoing and Onetime]

Agency Request	4.00	153,300	0	230,000	383,300
----------------	------	---------	---	---------	---------

*Not recommended by the Governor.*

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---



# Indirect Support Services

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
-------------------------	-----	---------	-----------	---------	-------

## 37. IT Position Salary Increases

The department requests \$167,000 in ongoing personnel costs to provide targeted pay increases for three different IT classifications: 1) senior IT information systems technicians; 2) IT systems integration analyst; and 3) IT systems coordinator. Similar to many agencies statewide, the department struggles to recruit, hire, and retain staff for IT positions. These IT positions maintain a compa-ratio ranging from 88.9% to 103.2%. The Application Development Bureau is the largest bureau in IT, at about 40% of the division, and in 2017 experienced four of the eight separations. As of October 31, 2017, there were eight vacant IT positions with five of those vacancies in Application Development. The Division of Information and Technology Services has 125.00 FTP. This request would provide pay increases for 32 positions. [Ongoing]

Agency Request	0.00	66,800	0	100,200	167,000
----------------	------	--------	---	---------	---------

*Not recommended by the Governor.*

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---

## 50. Criminal History Unit Grant

The department requests \$700,000 in onetime operating expenditures and capital outlay to pursue a federal grant to improve and modernize its existing criminal history and background check system software and fingerprint equipment. The department reports that the current system does not meet the federal information security standards, according to a recent federal audit, and needs to be updated. Further, the department is hoping that with the funding it would be able to expand the system to review several nationwide registries including adult protection (Idaho does not maintain an Adult Protection Registry), certified nursing assistant, professional and disciplinary boards, and Medicaid fraud control unit dispositions. The current system went live in 2005 and the department states that finding replacement equipment is a challenge and replacement parts may not be produced in calendar year 2019. The grant, if applied for and approved, would provide funding for new computers, servers, and software and for the update of the user interface. [Onetime]

Agency Request	0.00	175,000	0	525,000	700,000
----------------	------	---------	---	---------	---------

Governor's Recommendation	0.00	175,000	0	525,000	700,000
---------------------------	------	---------	---	---------	---------

## FY 2019 Total

Agency Request	304.60	21,813,400	3,405,700	26,463,200	51,682,300
----------------	--------	------------	-----------	------------	------------

Governor's Recommendation	299.60	20,141,700	3,439,400	25,139,100	48,720,200
---------------------------	--------	------------	-----------	------------	------------

Agency Request

Change from Original App	9.00	3,172,700	153,600	1,974,300	5,300,600
--------------------------	------	-----------	---------	-----------	-----------

% Change from Original App	3.0%	17.0%	4.7%	8.1%	11.4%
----------------------------	------	-------	------	------	-------

Governor's Recommendation

Change from Original App	4.00	1,501,000	187,300	650,200	2,338,500
--------------------------	------	-----------	---------	---------	-----------

% Change from Original App	1.4%	8.1%	5.8%	2.7%	5.0%
----------------------------	------	------	------	------	------